



Department of Justice

Acting United States Attorney Lawrence G. Brown
Eastern District of California

FOR IMMEDIATE RELEASE
Thursday, January 22, 2009
www.usdoj.gov/usao/cae

CONTACT: Lauren Horwood
PHONE: (916) 554-2706
lauren.horwood@usdoj.gov

TWO SISTERS INDICTED FOR MORTGAGE FRAUD SCHEME IN VALLEJO

SACRAMENTO, Calif.—Acting United States Attorney Lawrence G. Brown announced today that a federal grand jury returned a five-count indictment charging RALONDRIA STAFFORD, 34, of San Francisco, and NECOLE WARD, 30, of Las Vegas, (both formerly of Vallejo, Calif.) with crimes relating to a mortgage fraud scheme carried out in Vallejo between 2005 and 2006. The defendants, who are sisters, operated RN Realtors in Vallejo. The indictment charges them with conspiracy to commit wire and bank fraud, wire fraud, bank fraud, and engaging in monetary transactions in property derived from specified unlawful activity (money laundering).

This case is the product of a joint investigation by the Federal Bureau of Investigation and the Internal Revenue Service.

Stated Acting United States Attorney Brown, “Mortgage fraud has emerged as a major law enforcement priority in the wake of the housing market decline. As today’s indictment against these two former realtors reflects, we will continue to give priority to those cases perpetrated by industry professionals.”

According to Assistant United States Attorney Kyle Reardon, who is prosecuting the case, the indictment alleges that between July 2005 and August 2006, the defendants began using straw buyers to purchase properties that they owned in Vallejo, California. The buyers were approached and offered \$5,000 for the use of their name and financial information. The defendants represented to the buyers that the purchase would be in name only and that STAFFORD would purchase the properties back from the straw buyers in six to 12 months.

In the course of the conspiracy, the defendants prepared “Uniform Residential Loan Application” forms in the straw buyers’ names containing material false statements. These false statements included, among other things, overstating of the straw buyer’s income, claiming employment at employers for which the straw buyers did not work, and misidentifying the purpose of the purchased locations as a primary residence. On one occasion, in support of the materially false statements, the defendants attached to the application falsified Internal Revenue Service form W-2s and a lease agreement.

The maximum statutory penalty for conspiracy is five years in prison, a fine of \$250,000, and a three-year term of supervised release. The maximum statutory penalty for a violation of bank fraud and wire fraud is 30 years in prison, a fine of \$1,000,000, and a five-year term of supervised release. The maximum statutory penalty for money laundering is 10 years in prison, a fine of \$250,000, and a three-year term of supervised release. However, the actual sentence will be dictated by the Federal Sentencing Guidelines, which take into account a number of factors, and will be imposed at the discretion of the court.

The charges are only allegations and the defendant is presumed innocent until and unless proven guilty beyond a reasonable doubt.

###